

CHAPTER NO. 82

SENATE BILL NO. 1676

By Elsea, Atchley

Substituted for: House Bill No. 1435

By Whitson, McDaniel

AN ACT To amend Tennessee Code Annotated, Sections 50-7-213(a), 50-7-303(e) and 50-7-404(c), relative to the employment security law.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-7-213(a), is amended in the first sentence by deleting the language “§ 401(k) of the Internal Revenue Code” and by substituting instead the following new language:

§ 401(k), § 403(b), § 457 or any similar plan contained in the Internal Revenue Code

SECTION 2. Tennessee Code Annotated, Section 50-7-303(e), is amended by deleting the subsection in its entirety and substituting instead the following new language:

(e) Back Pay Awards. (1) For unemployment insurance benefit purposes, the amount of back pay constitutes wages paid in the period for which it was awarded. Any employer who is a party to a back pay award settlement due to loss of wages is required to report to the division of employment security within thirty (30) days of the ruling:

(A) The amount of the award settlement and whether such award settlement was arrived at by subtracting the amount of unemployment benefits received during the period covered by the award settlement from the final award settlement;

(B) The name and social security number of the recipient; and

(C) The calendar weeks for which the back pay was awarded.

(2) (A) If it is shown to the satisfaction of the administrator that the amount of the back pay award settlement was reduced by the amount of unemployment benefits received, the employer shall pay to the administrator for the unemployment compensation fund an amount equal to the amount determined by the division to constitute an overpayment of unemployment benefits, in order to reimburse the fund.

(B) If the amount of the back pay award settlement was not reduced by the amount of benefits received, the employer is required to deduct from the back pay award settlement an amount determined by the division based on the amount of benefits received by the recipient of the back pay award

settlement during the period for which the award was granted, and the employer must pay to the administrator for the unemployment compensation fund, within thirty (30) days of the settlement, an amount equal to the amount of such deduction at the time the monetary settlement is made.

(C) Any amount found owing to the division under subsections (A) or (B) shall be assessed to the employer and shall be collectable in the same manner as for the collection of premiums under T.C.A. § 50-7-404.

(D) If it is shown to the satisfaction of the administrator that the amount of the final back pay award settlement was reduced pursuant to subsections (A) or (B), the claimant shall not be liable for repayment of the benefits received.

(E) It is the intent of the General Assembly that the amount of benefits received by the recipient of the back pay award settlement may only be deducted once from the back pay award settlement.

SECTION 3. Tennessee Code Annotated, Section 50-7-404(c), is amended in the first paragraph by deleting the language "given written notice, by registered mail," and substituting instead the following new language:

mailed written notice, to its last known address,


This subsection is further amended in the first paragraph by deleting the language "fifteen (15)" and substituting instead the language "thirty (30)".

This subsection is further amended in the first sentence of subdivision (3) by deleting the word "registered" and substituting instead the word "certified".

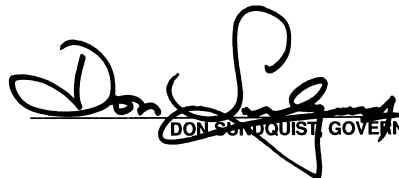
SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: April 2, 2001


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 11th day of April 2001


DON SUNDQUIST, GOVERNOR